

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

Southern Union Gas Services Ltd – Jal #3 Gas Plant

Southern Union Gas Services Ltd, 600 N. Marienfeld Street, Suite 700, Midland, TX has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to modify Jal No. 3 Gas Plant. The application file has been assigned Permit No. 1092-M7 and TEMPO Agency Interest ID No. 569. The exact location of the facility is at latitude 32 deg, 10 min, 27.0104 sec and longitude - 103 deg, 10 min, 33.0072 sec. To aid in locating this facility, the approximate location is 4 miles north northeast of Jal, New Mexico in Lea County.

The proposed modification will consist of: revising the startup, shutdown, and maintenance (SSM) emissions and the malfunction emissions, replacing some tank units and revising their associated emissions, and removing a temporary boiler from the permit. .

Total air pollutant emissions to the atmosphere are estimated to be approximately emissions in tons per year: Nitrogen Oxides (NO_x) at 913.1 tons per year (tpy); Carbon Monoxide (CO) at 1,023.4 tpy; Volatile Organic Compounds (VOC) at 260.5 tpy; Sulfur Dioxide (SO₂) at 2,649.8 tpy; Total Suspended Particulate Matter (TSP) at 34.0 tpy; Particulate Matter 10 microns or less (PM₁₀) at 34.0 tpy; Particulate Matter 2.5 microns or less (PM_{2.5}) at 34.0 tpy; and H₂S at 27.8 tpy. The facility is a major, ≥100,000 tpy CO₂e, source of green house gas emissions. These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards for CO, NO_x, SO₂, and H₂S. A full review will evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

The NMED has conducted a preliminary review of the information submitted with the permit application and found that only volatile organic compounds (VOCs) are being increasing due to this modification. VOCs are a pre-cursor to ozone. Pre-construction air dispersion modeling is not required for VOCs and ozone. To determine compliance with national ambient air quality standards, NMED monitors ambient ozone concentrations. A full review will evaluate the estimated emission rates and determine compliance with air quality regulations.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 3, 7, 35, 37, 70, 71, 72, 73, 74, 77, and 82; 40 CFR 50; 40 CFR 60 Subparts A, GG, KKK, and LLL; 40 CFR 63 Subparts A and HH; 40 CFR 64; 40 CFR 68; and the New Mexico Air Quality

Control Act. Therefore, the preliminary intent of NMED is to issue the air quality permit on or before February 25, 2013. This source is a major source according to 20.2.74 NMAC, PSD.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions hours of operation, and production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 1301 Siler Road, Building B, Santa Fe, New Mexico. To arrange viewing of this application contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Hobbs Office, located at 726 E. Michigan, Suite 160, Hobbs, NM 88240 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, site name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Melinda Owens, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 1301 Siler Road, Building B, Santa Fe, New Mexico 87507-3113.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Melinda Owens at 505-476-4341. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site.